



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-05-72

NATURAL GAS RATES TO CHANGE FOR AMERENUE CUSTOMERS UNDER SCHEDULED WINTER NATURAL GAS FILING

Jefferson City (October 28, 2004)---To primarily reflect estimated changes in the cost of natural gas for the winter season, AmerenUE natural gas customers in the former Aquila, Inc. Eastern System service area will experience an increase in natural gas rates under a filing reviewed and accepted by the Missouri Public Service Commission. This rate change, which will take effect on November 1, 2004, is interim subject to refund.

A residential customer currently pays \$1.11849 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$1.2102 per Ccf, an increase of approximately 9.1 cents per Ccf. The effect on a typical residential heating customer for the winter season (November through March) is an increase of approximately \$81 (total for the five month period) when compared to the rates currently in effect.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

AmerenUE serves approximately 4,300 natural gas customers in the former service area of Aquila, Inc.'s Eastern System in Phelps County.

---0---